

**MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY**

October 16, 2012

The Commissioners of the Chicago Housing Authority held its Regular Meeting of the Board of Commissioners on Tuesday, October 16, 2012 at approximately 8:35 a.m. at the Ada McKinley Apartments in Chicago, IL.

Chairwoman Z. Scott called the meeting to order and upon roll call, those present and absent were as follows:

Present:	Deverra Beverly
	Dr. Mildred Harris
	Harriet Johnson
	Myra King
	Carlos Ponce
	Bridget Reidy
	Z. Scott
	Sandra Young

Absent:	Adela Cepeda
	Mark Cozzi

Based on CHA By-Laws, and in accordance with the Open Meetings Act, if a quorum of the Commissioners is physically present at any meeting, a majority of the quorum may allow a Commissioner to attend a meeting by electronic means if the Commissioner is prevented from physically attending due to personal illness or employment purposes. Since Commissioner Cozzi was unable to be in attendance at the meeting, after motion made and properly seconded, the attending Commissioners voted unanimously to allow Commissioner Cozzi to join the meeting electronically.

Also present were Charles Woodyard, Chief Executive Officer; Melissa Freeman Cadoree, Deputy Legal Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motion made and properly seconded, the Commissioners adjourned to Executive Session. Chairwoman Scott announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately half an hour to discuss personnel related matters, pending, probable or imminent litigation and the purchase of lease of real property.

At approximately 8:52 a.m., Commissioner Cepeda joined the meeting in Closed Session.

The Commissioners subsequently reconvened in Open Session and Chairwoman Scott thereupon convened the Business and Public portion of the meeting.

After Motion Made by Commissioner Young and seconded by Commissioner Johnson, the Closed Meeting Minutes and Regular Board Meeting Minutes of September 18, 2012 was unanimously approved as submitted.

Commissioner Harriet Johnson then presented the report of the Personnel Committee. Per Commissioner Johnson, the Personnel Committee meeting was held on Tuesday, October 9th at approximately 9:00 a.m. at the 60 East Van Buren Corporate Offices. Committee members voted to go into Closed Meeting and discussed the Personnel Action Report for the month of September 2012 and Personnel Actions for October 2012. Said resolutions were also presented to the full Board in today's Closed Meeting. Also discussed, approved and recommended by the Personnel Committee, for full Board approval, was the award of contract to Healthways, Inc. for participation in the City of Chicago Employee Wellness Program.

On behalf of the Personnel Committee, Commissioner Johnson then presented an Omnibus Motion for approval of Items A1 through A3:

(Item No. A1)

RESOLUTION NO. 2012-CHA-

WHEREAS, The Board of Commissioners has reviewed staff memorandum dated October 9, 2012 entitled "Personnel Actions Reports", and concurs in the recommendation contained therein;

THEREFORE BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the personnel actions contained in the personnel reports for the period September 1, 2012 thru September 30, 2012 is hereby accepted.

(Item No. A2)

RESOLUTION NO. 2012-CHA-

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 9, 2012, entitled "Approval of Personnel Actions":

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the requested personnel actions.

(Item No. A3)

In October, 2011 the CHA Board of Commissioners approved CHA's participation in the City of Chicago Request for Proposal (RFP) for an employee wellness program which was prepared and released by the City. The City's participating sister agencies, which include the Chicago Housing Authority, Chicago Public Schools, City Colleges, Chicago Park District all had an opportunity to review and comment on the RFP. After evaluating the proposals received in response to the RFP, the City negotiated with Healthways and selected them as the best vendor to provide a wellness program for employees and spouses/domestic partners of the City and participating sister agencies. The purpose of the wellness program is to promote a healthier workforce and

counter rising health insurance costs. The resolution for Item A3 authorizes the Chief Executive Officer to enter into contract with Healthways, Inc., not-to-exceed \$231,656.04, for a three year term to participate in the City of Chicago's Employee Wellness Program: Chicago Lives Healthy. The city's wellness program offers a suite of innovative initiatives and is viewed as the largest, most comprehensive government wellness program ever introduced, rivaling any private-sector wellness program in its size, breadth of offerings and comprehensive approach. As part of the "Chicago Lives Healthy" program, employees and spouses are required to do any one of these on-site/telephonic wellness events: attend an on-site educational seminar, complete an on-site challenge, complete a health check-in call or complete a telephonic coaching call. They are also required to participate in activities each month via Well-Being Connect™, an online wellness portal that includes a personalized well-being plan, groups, challenges and robust health information resources.

RESOLUTION NO. 2012-CHA -

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 9, 2012 entitled "AUTHORIZATION TO ENTER INTO CONTRACT WITH HEALTHWAYS, INC. TO PARTICIPATE IN THE CITY OF CHICAGO'S EMPLOYEE WELLNESS PROGRAM: CHICAGO LIVES HEALTHY";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to approve and provide funding in an amount not-to-exceed \$231,656.04 for a three (3) year term to participate in the City of Chicago's Employee Wellness Program: Chicago Lives Healthy, provided by Healthways.

The Omnibus Motion to adopt resolutions for Items A1 through A3 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Deverra Beverly Adela Cepeda Mark Cozzi Dr. Mildred Harris Harriet Johnson Myra King Carlos Ponce Bridget Reidy Sandra Young Z. Scott
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Commissioner Bridget Reidy, Chairwoman of the Operations and Facilities Committee, then presented her report. Per Commissioner Reidy, the Operations Committee Meeting was not held on Wednesday, October 10, 2012 due to a lack of quorum. While Committee members were briefed on the two items appearing on the agenda, no vote was taken. Commissioner Reidy

informed the Board that Item B2: Recommendation to award contracts for Professional Legal Services has been removed from the agenda and the solicitation will be revised and re-released with the goal of engaging a broader range of law firms.

Commissioner Reidy then presented a Motion for approval of the resolution for Item A1 discussed, voted and recommended for approval by the Tenant Services Committee members.

(Item B1)

The resolution for Item B1 approves and submits to HUD the FY2013 Moving To Work (MTW) Annual Plan. On January 6, 2000, the CHA Board of Commissioners approved the Plan for Transformation, which called for sweeping changes in both the administration and operation of CHA. The Plan for Transformation was approved by HUD and incorporated into a MTW Demonstration Agreement, which was executed on February 6, 2000. The Agreement requires CHA to submit an annual plan to HUD, describing anticipated activities that will utilize MTW flexibility. Prior to submission of the FY2013 MTW Annual Plan to the Board, a 30-day public comment period was conducted wherein both residents and the public alike were able to submit comments orally and in writing, regarding the information contained in the proposed Plan. The public comment period ran from August 31 through October 1, 2012. During such time, on September 11, 2012, a public comment hearing was held. Prior to finalizing the FY2013 MTW Annual Plan, CHA gave consideration to comments received during the public comment period. To this end, CHA has complied with the requirements of the Restated Agreement and HUD regulations regarding annual plans.

RESOLUTION NO. 2012-CHA -

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 10, 2012 entitled “AUTHORIZATION TO APPROVE THE FY2013 MOVING TO WORK ANNUAL PLAN;

THEREFORE BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the FY2013 MTW Annual Plan, and the form, CHA Certifications of Compliance with MTW Plan Requirements and Related Regulations.

THAT the Board of Commissioners (“Board”) authorizes the Chief Executive Officer or his designee to approve any final changes to the FY2013 MTW Annual Plan. Such approval shall constitute conclusive evidence of the Board’s approval of any and all such changes.

THAT, this approval of the FY2013 MTW Annual Plan supersedes any and all conflicting language found in prior CHA MTW Annual Plans.

THAT, the Board of Commissioners hereby grants authorization to submit the FY2013 MTW Annual Plan to the U.S. Department of Housing and Urban Development.

The Motion to adopt resolution for Item B1 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Deverra Beverly
Adela Cepeda
Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Myra King
Carlos Ponce
Bridget Reidy
Z. Scott
Sandra Young

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Commissioner Adela Cepeda, Chairwoman of the Finance Committee, then presented her report. Per Commissioner Cepeda, the Finance Committee meeting was held on Wednesday, October 10th at approximately 1:45 p.m. at the 60 E. Van Buren Corporate Offices. Commissioner Reidy then presented an Omnibus Motion for the following four items discussed, voted and recommended for Board approval by the Operations and Facilities Committee.

(Item C1)

A Request for Proposal was advertised in March 2012 in area newspapers for performance of audit and professional consulting services approved by the CHA's Audit Committee. It is essential that CHA has the capability to review, assess and monitor the effectiveness and efficiency of operations and practices. Performing validation and advisory services, CHA internal audit function adds value to the organization by updating staff and commissioners on the latest significant governance, risk, and compliance issues. Of the five proposals received, the evaluation committee recommended the award of contract to KPMG, LLP. KPMG will be responsible for updating an annual risk assessment and audit plan, updating and verifying that CHA is addressing the identified risks, testing and evaluating audit areas, and validating compliance with applicable regulations, policies and procedures. Annually, the CHA Audit Committee approves an audit plan of projects based upon the risk assessment. CHA's Director, Audit Management and Compliance, working with the internal audit service provider, issues engagement scoping memos to stakeholders involved in the audit projects. Accordingly, the resolution for Item C1 approves award of contract to KPMG, LLC to provide internal auditing services to CHA.

RESOLUTION NO. 2012-CHA-84

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 10, 2012 entitled "AUTHORIZATION TO enter into a contract with KPMG, LLP to provide Internal Audit Services in an amount not-to-exceed \$3,000,000.00 for the period of November 1, 2012 through October 31, 2015."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to enter into a contract with KPMG, LLP to provide Internal Audit

Services in an amount not-to-exceed \$3,000,000.00 for the period of November 1, 2012 through October 31, 2015.

These awards are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

The Motion to adopt resolution for Item C1 was seconded by Commissioner Ponce and the voting was as follows:

Ayes: Deverra Beverly
Adela Cepeda
Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Carlos Ponce
Bridget Reidy
Z. Scott
Sandra Young

Nays: Myra King

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

(Item C2)

The resolution for Item C2 approves an amendment extending Contract No. 11007 with Ernst & Young, LLP (E&Y) for the period November 11, 2012 to November 10, 2013, to provide independent professional auditing services for a firm-fixed fee of \$749,300. The CHA is required to undergo an annual audit in conformity with Generally Accepted Auditing Principles, Government Auditing Standards issued by the Comptroller General of the United States and provisions provided in the Office of Management and Budget Circular A-133. The audit is used to determine whether the CHA's financial data can be relied upon and the requirement promotes sound financial management, including effective internal control, with respect to federal awards administered by HUD, the state and local governments and not-profit-organizations. E&Y has the proven track record of completing assignments timely and the resource flexibility to meet CHA's critical reporting requirements. E&Y utilized expertise from its various audit practices to deliver key solutions to critical financial accounting and reporting issues. E&Y has assisted CHA in implementing new Governmental Accounting Standard Board pronouncements and HUD regulations. E&Y continues to be one of the top four national auditing firms, and a leading firm in the Real Estate practice area, and has extensive experience in auditing governmental agencies and non-profit entities. E&Y's continued participation in the evolving Real Estate Assessment Center and MTW reporting requirements is crucial for the Authority to meet its reporting obligations to HUD.

RESOLUTION NO. 2012-CHA-83

WHEREAS, The Board of Commissioners has reviewed the Board Letter dated October 10, 2012 entitled, "AUTHORIZATION TO EXERCISE ONE-YEAR OPTION FOR CONTRACT NUMBER 11007 WITH ERNST & YOUNG, LLP FOR INDEPENDENT AUDITING SERVICES;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Amendment No 1 to Contract No 11007 with Ernst & Young, LLP to exercise the first one-year option to provide independent professional auditing services for the period of November 11, 2012 through November 10, 2013, for a firm-fixed fee of \$749,300.00.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and bonding and insurance requirements.

The Omnibus Motion to adopt resolution for Item C2 was seconded by Commissioner Beverly and the voting was as follows:

Ayes:	Deverra Beverly
	Adela Cepeda
	Mark Cozzi
	Dr. Mildred Harris
	Harriet Johnson
	Myra King
	Carlos Ponce
	Bridget Reidy
	Z. Scott
	Sandra Young

Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Chairwoman Scott then invited residents and the public at large to address the Board.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the October meeting of the Board of Commissioners was adjourned

Z. Scott
Chairwoman, Chicago Housing Authority

Lee Chuc-Gill, Secretary
Custodian and Keeper of Records